

AREA MINES LIMITED

(No Personal Liability)

Statement of Source and Use of Funds

For the 6 Months Ended June 30

	1970	1969
Source of Funds:		
Dividend income	\$ 21,004	\$ 13,855
Interest income	1,746	1,777
Profit on sale of marketable investments	—	1,743,803
	<u>\$ 22,750</u>	<u>\$1,759,435</u>
Use of Funds:		
Purchase of investments in other companies . .	1,900,008	
Exploration and administrative expendi- tures for the period . .	130,671	26,870
	<u>2,030,679</u>	<u>26,870</u>
Net increase (decrease) for the period	<u>\$(2,007,929)</u>	<u>\$1,732,565</u>

Working capital beginning of the year	<u>\$ 611,211</u>	<u>\$ 405,599</u>
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Working capital June 30. . .	<u>\$(1,396,718)</u>	<u>\$2,138,164</u>
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The above statement is unaudited and subject
to year-end adjustment.

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AREA MINES LIMITED



SIX MONTHS REPORT JUNE 30, 1970

Executive Offices

Suite 4900

Toronto-Dominion Centre
Toronto, Ontario

AREA MINES LIMITED
Six Months Report

During the second quarter of 1970, Area completed the transaction whereby, it acquired shares and convertible debentures of Brameda Resources Limited. Area now holds 8% of Brameda Resources, 12% of Highland-Bell Limited and 25% of Madeleine Mines Limited.

Brameda is proceeding with advanced exploration programmes on its Casino copper-molybdenum property in the Yukon and its Sukunka coal deposit in northern British Columbia. Brameda's Churchill subsidiary is almost up to capacity at its new 750 ton per day copper mine in northern British Columbia.

Madeleine Mines, in which Area holds 1,151,176 shares, or a 25% interest, reported net earnings of \$2,468,000 or 52.4¢ per share for the first half of 1970.

Area is participating with associated companies in several base metal and uranium exploration projects in eastern Canada.



N.B. KEEVIL
President

August 5, 1970

AREA MINES LIMITED
(No Personal Liability)

**Statement of Exploration and
Administrative Expenditures Deferred**

For the 6 Months Ended June 30

	1970	1969
Balance, beginning of year	\$ 172,536	\$ 73,250
Exploration expenditures for the period	94,303	3,285
Administrative expenditures for the year:		
Directors' fees	750	550
General administrative expenses	12,537	7,035
Interest	21,179	5,787
Legal and audit fees	1,375	8,958
Transfer and registrar agents fees and disbursements	527	1,255
	<u>36,368</u>	<u>23,585</u>
Total exploration and administrative expenses for the period	130,671	26,870
Deduct investment income . .	<u>22,750</u>	<u>15,632</u>
Net expenditure for period . .	<u>107,921</u>	<u>11,238</u>
Balance June 30	<u>\$ 280,457</u>	<u>\$ 84,488</u>

The above statement is unaudited and subject
to year-end adjustment.



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AREA MINES LIMITED

SUITE 4900
P.O. BOX No. 49

TORONTO-DOMINION CENTRE
TORONTO 1, CANADA

TEL: 416-362-1571
TELEX: 02-29087

25 June 1970

President's remarks to shareholders:

Since the sale last year of a portion of its holding in Madeleine Mines Limited, as required by the financing agreement with McIntyre Porcupine Mines, Area has been investigating opportunities for continued expansion in Canadian natural resources.

In April this year your company was successful in acquiring jointly with its associated company, Highland-Bell, a 12.2% interest in Brameda Resources Limited. Area and Highland-Bell can increase their combined interest to 18% by conversion of a debenture.

This investment gives Area increased exposure in British Columbia's expanding mineral economy. Area previously held an indirect interest in the Cariboo-Bell copper-gold deposit near McLeese Lake, through its 12% investment in Highland-Bell. Through Brameda, we now hold interests in the large Casino copper-molybdenum deposit in the Yukon and the Sukunka coal project in northern British Columbia. Extensive exploration programmes are in progress on each of these properties. Brameda also holds 50% of Churchill Copper, whose 750-ton per day copper mine was placed on stream in May. The first concentrate shipment left for Japan on June 14. Copies of the Brameda and Churchill annual reports are available to shareholders at this meeting.

Area holds 1,151,176 shares or 25% of Madeleine Mines Limited. With its Gaspé operation up to capacity and running smoothly, Madeleine has indicated that they will resume exploration this month. A number of surface drill holes have been laid out to test showings and geophysical targets, and further drilling is planned from underground to follow up previous indications of mineralization away from the main Pelletier ore zone.

In addition to its investments in Madeleine, Highland-Bell and Brameda, Area is participating in several syndicates exploring for uranium and base metals in Quebec, Ontario, and New Brunswick.

On behalf of the Board,

N. B. Keevil
President

AREA MINES LIMITED

(No Personal Liability)

Executive Office
Suite 4900, Toronto-Dominion Centre
Toronto 1, Ontario

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of Shareholders of AREA MINES LIMITED will be held at L'Etude (Room 353), Queen Elizabeth Hotel, Montreal, Quebec, on Thursday, the 25th day of June, 1970, at the hour of 11:00 o'clock in the forenoon, Eastern Daylight Saving Time to:

- (a) receive and consider the Annual Report of the Company containing the financial statements as at December 31st, 1969, and the report of the auditors thereon;
- (b) elect Directors;
- (c) appoint Auditors, and authorize the Directors to fix their remuneration;
- (d) transact such other business as may properly come before the meeting or any adjournment thereof.

A copy of the Annual Report accompanies this notice.

Shareholders who are unable to attend the meeting in person are requested to date and sign the enclosed form of instrument of proxy and return it using the stamped form provided for that purpose.

DATED at Toronto as of the 8th day of June, 1970.

By Order of the Board of Directors,

R. J. WRIGHT

Secretary

AREA MINES LIMITED

(No Personal Liability)

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular dated as of June 8th, 1970, is furnished in connection with the solicitation by the management of Area Mines Limited (the Company) of proxies to be used at the Annual Meeting of the shareholders of the Company (the meeting) to be held at the time and place and for the purposes set forth in the accompanying notice of such meeting. Solicitation will be made primarily by mail, but may be supplemented by solicitation personally by directors, officers and employees of the Company without special compensation. The cost of solicitation by management will be borne by the Company.

The persons named in the enclosed form of proxy are directors of the Company. A shareholder desiring to appoint some other person to attend and act for him and on his behalf at the meeting may do so either by striking out the names of the persons designated in the form of proxy and inserting such person's name in the blank space provided in the form of proxy, or by submitting another proper form of proxy.

If the accompanying separate proxy form is executed and returned, it may nevertheless be revoked at any time.

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the directions contained therein. In the absence of such directions, it is intended that such shares will be voted for the election of directors, and appointment of auditors as stated under those headings in this circular. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

VOTING SHARES

The authorized capital of the Company consists of 5,000,000 Class "A" shares without nominal or par value, 10,000,000 Class "B" shares without nominal or par value and 10,593,750 redeemable preferred shares with a par value of \$0.25 (twenty-five cents) each, of which on the date of this circular 2,000,000 Class "A" shares were issued and outstanding as fully paid and non-assessable, each carrying the right to 100 votes per share. There are no Class "B" shares and no preferred shares outstanding. Holders of Class "A" shares of record will be entitled to 100 votes at the meeting for each share held. Votes may be given either personally or by proxy, and in the case of a corporation, by a representative duly authorized.

Except as stated herein, the directors and senior officers of the Company do not know of any person or company beneficially owning, directly or indirectly, shares carrying more than 10 per cent of the voting rights attached to all shares of the Company. Lamaque Mining Company Limited has informed the Company that it held beneficially on June 8th, 1970 848,200 Class "A" shares which represent 42.4 per cent of the outstanding Class "A" shares of the Company. Teck Corporation Limited, of which company Lamaque Mining Company Limited is a wholly-owned subsidiary, has informed the Company that it held beneficially on June 8th, 1970 151,200 Class "A" shares. The Class "A" shares of the Company owned by Lamaque Mining Company Limited and Teck Corporation Limited together represent 49.9 per cent of the outstanding Class "A" shares of the Company. Superior Oil Company of Nevada according to the Company's records, held beneficially on June 8th, 1970 201,800 Class "A" shares which represent 10.1 per cent of the outstanding Class "A" shares of the Company.

ELECTION OF DIRECTORS

The Board consists of six directors to be elected annually. It is intended that the shares represented by the proxies hereby solicited will be voted by the persons therein named for the election of the six nominees whose names are set forth below, all of whom are now members of the Board of Directors and have been since the dates indicated. The management does not contemplate that any nominee will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the meeting, it is intended that the persons named in the enclosed form of proxy shall reserve the right to vote for another nominee of their choice in his place and stead.

The names of each of the nominees for office as directors and pertinent information regarding them are as follows:

Name and Office Held	Present Principal Occupation or Employment	Date on Which First Elected Director	Shares Beneficially Owned Directly or Indirectly
Norman B. Keevil (President and Director)	Dr. Keevil is President of Copperfields Mining Corporation Limited, Teck Corporation Limited, Silverfields Mining Corporation Limited and Tribag Mining Co., Limited.	December 23rd, 1965	120,000
Norman B. Keevil Jr. (Vice-President and Director)	Dr. N. B. Keevil Jr. is Executive Vice-President of Teck Corporation Limited, President of Brameda Resources Limited, and is a director and officer of various other mining companies.	December 23rd, 1965	2,700
Robert J. Wright (Secretary and Director)	Mr. Wright is a barrister and solicitor, and a partner in the law firm of Lang, Michener, Cranston, Farquharson & Wright.	November 13th, 1967	100
James H. Westell (Treasurer and Director)	Mr. Westell is Vice-President of Keevil Mining Group Limited, Treasurer and Director of Teck Corporation Limited and Treasurer of Copperfields Mining Corporation Limited and Silverfields Mining Corporation Limited.	September 27th, 1966	Nil
Stephen Kay (Director)	Mr. Kay is a professional engineer and is President of International Mines Services Limited.	July 15th, 1969	1,000
J. C. Frantz (Director)	Mr. J. C. Frantz is Chief Geologist, Keevil Mining Group Limited, and prior thereto was a geologist employed by Geophysical Engineering & Surveys Limited.	April 27th, 1970	Nil

Note:

1. The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.
2. Unless otherwise stated above, each of the above-named persons has held the principal occupation or employment indicated for at least five years.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

There was no direct remuneration paid or payable by the Company to the directors or senior officers during the past fiscal year. Directors' fees of \$2,150.00 were paid during this period.

APPOINTMENT OF AUDITORS

It is intended that the shares represented by the proxies hereby solicited will be voted for the reappointment of J. Clare Wilcox & Co., 4 Richmond Street East, Toronto, Ontario, as auditors of the Company to hold office until the next annual meeting of shareholders.

The Company paid during its last completed fiscal year as part of its exploration and development expenditures during the year the sum of \$70,947.06 to Geophysical Engineering & Surveys Limited (Geophysical) to provide services, personnel, facilities, etc., in this respect based upon prices consistent with those in the industry. Geophysical may purchase at the total proportionate cost then pertaining (including all expenses to date) a 10 per cent interest in mining properties acquired by the Company through the efforts of Geophysical or upon which Geophysical may have provided services. This right may only be exercised prior to such properties being prepared for production. Geophysical is a private company providing consulting services for the mining industry, as well as carrying out research and development in geophysical techniques, in which Dr. Norman B. Keevil and Dr. Norman B. Keevil Jr. are substantial shareholders.

DATED at Toronto as of the 8th day of June, 1970.

By Order of the Board of Directors,

R. J. WRIGHT
Secretary